

Special Funds

Special Funds

2007 Adopted Budget

Highlights:

The City has 52 special funds totaling \$221 million in budgeted spending. The total excludes Regional Water Services, the St. Paul Public Library Agency, and RiverCentre funds, which are submitted as separate budgets. Significant changes are indicated as follows:

City Attorney Outside Services (Fund #025): This fund provided spending authority for an FTE which was funded by the State of Minnesota. This position has since been vacated as well as the funding, reducing the spending and number of FTEs in this fund. Additionally, revenue which helps fund domestic violence staff is eliminated in 2007 as well as the associated .4 FTE.

Property Code Enforcement (Fund #040): The budget recognizes that the City will continue to actively enforce the registration of rental properties as required by the legislative code to ensure that one and two family non-owner occupied rental properties do not become problem properties. This fund's proposed budget includes a one-time fund balance transfer of \$100,000 to the General Fund.

Special Projects: General Government Accounts (Fund #050): Among its many functions, this fund's budget transfers approximately \$5 million of central service costs to the General Fund. The activity related to central service charges includes a proposed one-time transfer of \$32,250 to the General Fund.

Risk Management Retention Fund (Fund #060): This fund was created during the 2005 budget process to account for workers' compensation costs and to identify and charge workers' compensation expenses to department budgets. The fund also includes other risk-related activities that were included in other funds prior to 2005. Spending for this fund is up 34% over the 2006 Adopted Budget to cover increased workers' compensation costs.

Internal Borrowing: General Government Accounts (Fund #070): \$141,000 is added for the West Midway and Upper Landing loans.

Major Events (Fund #080): The Major Events fund will be created in 2007 to account for spending and financing related to major events, including the 2008 Republican National Convention.

Community Development Block Grant (Fund #100): The adopted community development block grant fund is \$10.3 million, reflecting a potential \$1 million funding reduction from the federal government.

Cable Communications (Fund #166): The City receives a franchise fee from the cable operator, which is based on five percent of the cable company's gross revenues. Although there continues to be a small decline in overall subscriber numbers, the current revenue projection shows an increase based on historical receipts and increased costs to subscribers from the local cable operator. This fund's adopted budget includes a one-time fund balance transfer to the General Fund of \$350,000, an increase in the regular general fund transfer of \$268,300 and retention of \$195,000 from the cable franchise agreement for PEG/I-Net capital improvements. The budget also includes \$195,000 in Mayor's contingency spending, financed by fund balance, to cover expenses in the event the PEG capital improvement financing does not materialize.

Engineering Fund (Fund #205): This fund's proposed budget includes a fund balance transfer of \$500,000 to the General Fund.

Right of Way Maintenance Fund (Fund #225): The fund manages and supports the right-of-way assessment function by processing public improvement assessments as well as annual operations and maintenance service charges. The 2007 budget includes an increase of 7.9% in the right-of-way assessments. This increase provides additional revenue to help withstand increased spending due to inflation factors, supports the tree boulevard maintenance and a portion of sidewalk maintenance at a base level and provides additional funding for neighborhood cleanup. It also includes the removal of all deferred spending added during the 2006 process.

Parking Meter Collection and Fines (Fund #230): This fund is responsible for the collection and accounting of all meter and fine revenues. Transfers from this fund are made to the Police Department's special fund for Surface Parking Enforcement and to the City's General Fund.

Solid Waste & Recycling (Fund #232): This fund's proposed budget includes a fund balance transfer of \$200,000 to the General Fund.

Traffic, Signal & Lighting Maintenance (Fund #240): Modifying, installing and repairing damage to traffic signal, street lighting and signing systems is the main focus of this fund.

Sewer Service Enterprise (Fund #260): Almost three-fourths of the spending for this fund is determined by Metropolitan Council Environmental Services (MCES) charges and debt service for construction programs under federal and state mandates. The program of long-term financing for residential upgrades of sanitary sewer connections continues for 2007. This fund includes the continuation of the repayment of water pollution abatement bonds financed by the general obligation debt service fund in the 1970s and 1980s and is increased by \$1,700,000 for 2007. Additionally, the proposed budget includes increases in Storm Sewer System Charges (2.0%) and Sanitary Sewer Rates (2.0%) to offset increasing costs.

License and Permit Special Fund (Fund #320): This fund accounts for revenue received from business licenses, building permits, plan examination, certificate of competency and other fees related to ensuring public safety by monitoring business and construction activity. The number of FTEs increased by 5.0 for 2007 due to FTE shifts from the General Fund and Fund #167, as well as the addition of a Heritage Preservation specialist and a Soil and Water specialist.

Parks and Recreation Street Tree Maintenance (Fund #375): This fund increased by \$115,355 and maintains an existing level of service. The fund is financed with citywide right-of-way assessment transfers from Public Works Fund #225.

Parks and Recreation Como Campus (Fund #380): Adopted spending increased by \$1,252,895, primarily due to costs related to the Visitor's Center and Tropical Encounters exhibit. FTEs increased by 3.9 for facility operation and the provision of educational programs to schools. Increased costs are supported by increases in various revenue sources including instruction fees, facility rental fees, commissions, and transfers-in.

Police Services (Fund #400): This fund was created to track the receipt and use of the Police Public Employee Retirement Association (PERA) pension assets returned to the City under 1999 State legislation. The 2007 budget reflects year eight of a ten-year plan. Costs related to direct police services, including police officer compensation, are planned for in the 2007 budget.

Police Impounding Lot (Fund #435): This fund tracks the fiscal experience related to the towing and reclaiming of all towed or abandoned vehicles left on city streets. Some vehicles are sold at auction and some are reclaimed by their owners once the owner pays the appropriate fine.

Police Special Projects (Fund #436): This fund's proposed budget reflects a decrease in spending due to expectations on several expiring grants, and some one time spending that was planned to occur in 2006 and not repeat in 2007.

Firefighting Equipment Trust (Fund #735): Financial activity is expected to decline in this fund. Planned spending for fire apparatus will now be financed under the provisions of the City's sales tax law, and will now be carried in the new STAR City Capital Project. Revenues that were formerly recorded in Equipment Trust fund will now be collected in the general fund. Planning for the 2007 budget is supported the funding level suggested by the department's apparatus plan for 2007.

CPL Operating (Fund #802): Proposed spending for 2007 increases by \$508,629 for a total of \$3,515,312. This fund collects assessment revenues and passes them on to various other funds which use assessment financing.

Special Fund Budgets

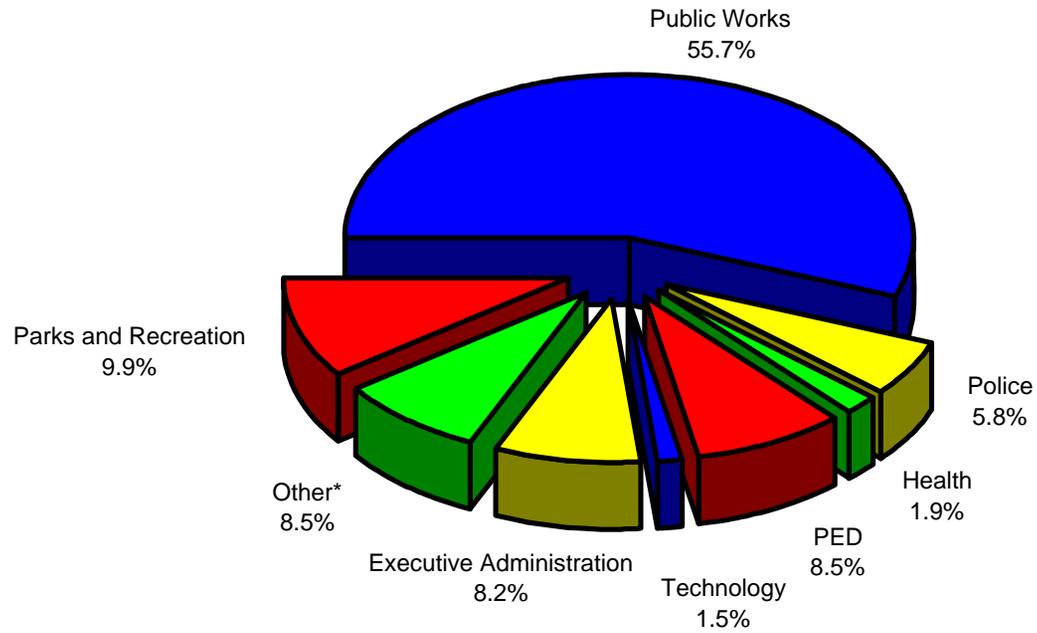
Special Fund Spending (By Department)			
Department	2005 Actual	2006 Adopted Budget	2007 Adopted Budget
Attorney	923,129	1,042,110	973,054
Council	62,005	94,499	76,015
Financial Services Office	13,414,926	13,159,096	14,857,447
Fire and Safety Services (a)	2,654,424	7,053,674	5,554,486
StP-RC Health	3,840,090	4,095,050	4,131,922
Human Resources	1,082,166	1,862,742	2,497,500
Human Rights	43,042	67,944	65,066
License, Inspection, and Environmental Protection (a)	10,212,833	11,846,479	0
Mayor's Office	466,198	643,589	769,646
Neighborhood Housing & Property Improvement (a)	559,846	772,008	0
Parks and Recreation	22,502,305	20,195,335	21,893,252
Planning and Economic Development	19,852,045	20,121,419	18,901,013
Police	10,886,319	12,942,113	12,893,574
Public Works	105,965,810	119,258,933	123,217,975
Safety and Inspection (a)	0	0	12,216,043
Office of Technology	4,622,809	3,084,449	3,234,568
Total	197,087,947	216,239,440	221,281,561

Special fund budgets are designed to track revenues and expenditures for specific designated purposes. With some exceptions, special fund budgets are not supported by property taxes. Rather, special fund spending is supported by user fees, assessments, and grants, which are generally restricted in some way. The restrictions require accounting in separate funds, which include operating funds, project funds, debt service funds, and trust funds.

- a) In 2007, the Information and Complaint component of City Clerk; License, Inspection, and Environmental Protection (LIEP); and Neighborhood Housing and Property Improvement (NHPI) will be merged with the Fire Department's Fire Inspection unit as the new Department of Safety and Inspection (DSI).

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* Other includes City Attorney, City Council, Safety and Inspections, and Fire.

Special Fund Budgets

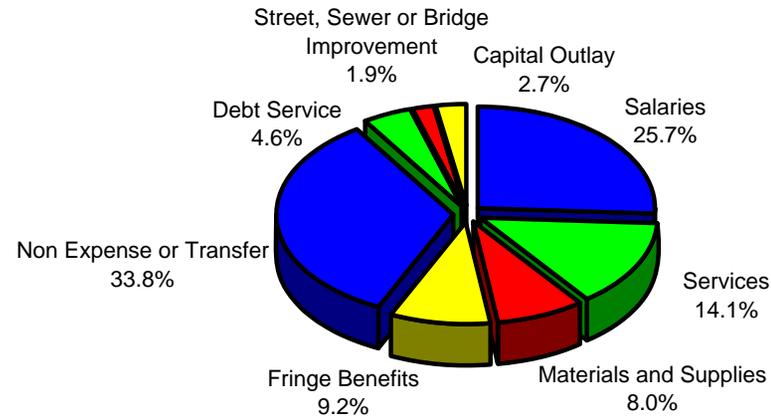
Special Fund Spending (By Major Object)			
Object	2005 Actual	2006 Adopted Budget	2007 Adopted Budget
Salaries	49,835,008	55,871,327	56,781,315
Services	31,202,126	30,937,548	31,293,580
Materials and Supplies	17,344,737	16,796,270	17,661,376
Fringe Benefits	18,421,632	19,135,440	20,424,239
Transfers and Miscellaneous	61,217,158	65,372,726	74,771,052
Debt Service	9,641,477	10,406,060	10,158,722
Street, Sewer or Bridge Improvement	3,532,962	3,078,600	4,270,655
Capital Outlay	<u>5,892,847</u>	<u>14,641,469</u>	<u>5,920,622</u>
Total	197,087,947	216,239,440	221,281,561

Special Fund Financing (Revenue By Source)			
Source	2005 Actual	2006 Adopted Budget	2007 Adopted Budget
Use of Fund Balance	0	15,062,499	14,956,514
Transfers	14,438,993	9,792,669	10,936,937
Hotel and Motel Taxes	3,580,504	4,094,380	3,705,350
License and Permits	9,991,011	10,311,718	10,538,746
Intergovernmental Revenue	22,483,900	27,305,396	26,023,092
Fees, Sales and Services	97,460,394	100,876,289	102,343,691
Enterprise and Franchise Revenue	9,138,759	12,096,603	12,581,032
Assessments and Other Revenue Sources	<u>33,591,817</u>	<u>36,699,886</u>	<u>40,196,199</u>
Total	190,685,378	216,239,440	221,281,561

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2007 Spending By Major Object



2007 Revenue By Source

